

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of the
SOUTHERN CALIFORNIA WATER COMPANY
(U 133 W) for an order authorizing it to increase
rates for water service in 2004 in its Region 1
Customer Service Areas by \$179,200 or 2.62% in
the Arden-Cordova CSA; \$93,400 or 1.98% in the
Bay Point CSA; and \$115,900 or 4.55% in the Ojai
CSA; and various other relief.

Application 03-10-057
(Filed October 30, 2003)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure (Rule),¹ this ruling sets the procedural schedule, assigns the principal hearing officer, and addresses the scope of the proceeding following a prehearing conference (PHC) held on December 19, 2003, before the assigned Administrative Law Judge (ALJ).

Background

Applicant Southern California Water Company (SoCalWater), a Class A water utility regulated by this Commission, seeks approval of its general rate case (GRC) application for a portion of its Region 1. The application, an abbreviated GRC, requests rate increases for a single test year (2004) in the

¹ Unless otherwise indicated, all subsequent citations to rules refer to the Rules of Practice and Procedure, which are codified at Chapter 1, Division 1 of Title 20 of the California Code of Regulations.

Arden-Cordova, Bay Point, and Ojai customer service areas, as well as certain other relief.

The Commission's Office of Ratepayer Advocates (ORA) filed a protest to the application on December 3, 2003. ORA's protest identifies several issues for investigation, including the components of the inflation adjustment requested in each of the three customer service areas and their quantification. ORA also identifies two other major issues: amortization of the Water Litigation Memorandum Account for Arden-Cordova (referred to at the PHC as the "Aerojet litigation") and establishment of a memorandum account for purchased water expenses in the Simi Valley customer service area. ORA has not finished its review of the application and may raise other issues in its report.

Scope of the Proceeding

The broad issue in this proceeding is whether it is reasonable to authorize the inflation adjustments and other relief that SoCalWater requests. The scope of this proceeding has been narrowed slightly by ORA's stipulation, in the course of the PHC, that it does not contest SoCalWater's right to file, pursuant to Pub. Util. Code § 455.2, for an interim rate increase effective January 1, 2004, since this GRC will not be completed until sometime later in 2004. Accordingly, SoCalWater indicated that it plans to file, by advice letter, for the interim rate increase that statute permits.

One issue among the remaining, outstanding issues requires further mention at this time. At the PHC, SoCalWater explained that it will revise its prepared testimony regarding recovery of the Water Litigation Memorandum Account for Arden-Cordova in order to correct some inadvertent numerical errors and to address the impact of a pending settlement, which may substantially reduce or even cancel the balance recorded in that memorandum account.

To reach its determination on all outstanding issues, the Commission will undertake a comprehensive review of SoCalWater's showing and ORA's recommendations. SoCalWater's showing will include additional prepared testimony to better describe the impact on the average monthly bill of the various categories of its rate increase. The ALJ requested this additional prepared testimony at the PHC and the date for its distribution is memorialized below.

Discovery

The Commission will not impose a discovery plan on the participants. Any discovery dispute, which they cannot resolve between themselves, after a good faith effort to meet and confer, may be raised by written motion in accordance with Rule 45 and the Commission's Resolution ALJ-164. The Commission generally looks to the Code of Civil Procedure for guidance in resolving discovery disputes.

Schedule

The schedule for this proceeding is as follows:

January 12, 2004	Utility distributes corrected and additional prepared testimony, per ALJ's PHC direction.
January 16, 2004	Parties contact ALJ with joint Public Participation Hearing (PPH) recommendation (or separate recommendations, if no consensus reached).
March 2004 - date(s) to be set	PPH(s), if ordered by ALJ.
March 15, 2004	ORA distributes report.
March 29, 2004	Utility distributes rebuttal testimony.

April 13, 2004, 9 a.m.— 3:30 p.m., to be continued day to day as necessary through April 15, 2004	Evidentiary Hearing, Commission Courtroom, 505 Van Ness Avenue, State Office Building, San Francisco, CA 94102.
May 3, 2004	Concurrent initial briefs filed.
May 17, 2004	Concurrent reply briefs filed; case submitted.
No later than August 6, 2004	Proposed decision filed within 90 days of submission (Pub. Util. Code § 311(d)).
1 st Commission meeting 30 days after proposed decision filed.	Proposed decision on Commission agenda for Commission vote.

As indicated above, the anticipated submission date is tied to the date parties file concurrent reply briefs, as are all subsequent statutory dates. The proposed decision will be filed as soon following submission as the ALJ's workload permits.

Category of Proceeding and Need for Hearing

This ruling confirms that this is a ratesetting proceeding and that hearings are anticipated, as preliminarily determined in Resolution ALJ 176-3123, which was issued on November 13, 2003.

Assignment of Principal Hearing Officer

ALJ Jean Vieth will be the principal hearing officer.

Ex Parte Rules

Ex parte communications are permitted in ratesetting proceedings subject to the restrictions and reporting requirements in Pub. Util. Code § 1701.3(c) and Rule 7.

IT IS RULED that:

1. The scope of the proceeding is as set forth herein.
2. The schedule for this proceeding is set forth herein.
3. The principal hearing officer will be Administrative Law Judge Vieth.
4. This ruling confirms that this proceeding is a ratesetting proceeding and that hearings will be set.
5. Ex parte communications are permitted subject to the restrictions and reporting requirements in Pub. Util. Code § 1701.3(c) and Rule 7 of the Commission's Rules of Practice and Procedure.

Dated December 29, 2003, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated December 29, 2003, at San Francisco, California.

/s/ KRIS KELLER

Kris Keller

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.